

ADDENDUM #1

DATE: October 18, 2016

TO: All Prospective Bidders

FROM: Dennis Sienna, Purchasing Agent II

RE: **RFP# DS060916-1 Energy Analyst Consulting Services**

All respondents are hereby advised of the following amendment to the Request for Proposal documents which are hereby made an integral part of the bid documents for the subject contract, prepared by the University of Connecticut Procurement Services Department.

Proposals submitted shall be deemed to include contract document information as shown in Addendum No. 1. Respondents shall be required to acknowledge receipt of this addendum in their proposal response. Failure to acknowledge receipt of this addendum by the respondent may result in the rejection of their proposal response.

BIDDER NOTE: This addendum must be completed, signed and submitted with your proposal response to be considered for award. If you have already submitted a proposal, please complete the addendum and submit same in a sealed envelope, clearly marked with the bid number, response date, and return address. This will be accepted as part of your proposal response, **PROVIDING IT IS RECEIVED BY THE PURCHASING DEPARTMENT BY THE TIME AND DATE SPECIFIED IN ITEM NUMBER ONE (1) OF THIS DOCUMENT.**

Questions:

- 1) **In 6.7 Price/Fee Structure the RFP asks for an annual fee. In 6.8 Agent and Fees, the RFP indicates that a % of gross sales is appropriate for the sale of environmental attributes. Is it acceptable to provide an % of sales fee for work under item 9.3 and an annual fee that covers tasks under all other scope of work items (e.g. 9.1, 9.2, 9.4, 9.5, 9.6, 9.7, 9.8, 9.9 and 9.10).**

Answer Yes

- 2) **How many Class III RECs has the University sold in each of the past 3 years.**

Answer The historical to date Class III CHP RECs sold on a unit contingent basis are in the table below.

Year	RECS Sold
2008	3,618
2009	96,883
2010	94,583
2011	92,111
2012	91,610
2013	91,343
2014	92,509
2015	91,209
2016	41,431

- 3) **4.7 Proposal Selection Evaluation Criteria:** states that "The importance given to each element is represented proportionately by the respective weight assignments." What are the weight assignment for each of the elements.

Answer

1. **Cost:** Cost and innovative costing solutions for service. Maximum Points Available: 20
 2. **Experience:**
 - a. In fuel supply and contract negotiations for a dual fossil fuel generation facility. Maximum Points Available: 20
 - b. In energy analysis and energy models for cogeneration facilities. Maximum Point Available: 20
 - c. In power supply and associated rate negotiations for both wholesale and retail markets. Maximum Points Available: 15
 - d. With large University or College accounts dealing with Connecticut utilities and regulations and municipalities Maximum Points Available: 10
 - e. With ISO-NE operations and marketing. Maximum Points Available: 10
 - f. With Non-Profit Government agencies Maximum Points Available: 5
- 4) With regards to "Environmental Attributes/RECs" has the University sold any classification of attributes/RECs besides CT Class 3 RECs for "vintage" years 2015 and/or 2016? If so, what classification of attributes/RECs has UConn sold and in what quantity.

Answer UCONN also has a PureCell 400 Fuel Cell located on Depot Campus which produces and sells CT Class I RECs transacted under a separate contract. UCONN's Master Plan envisions additional Tri-generation Plant additions, additional renewable energy generation, and perhaps attributes associated with wastewater and reclaim water which may develop a future need to transact "Environmental Attributes/RECs" which the selected Analyst may provide services.

- 5) An overview is provided regarding the relative energy profiles for the Storrs and Health Center campuses but not for the five regional locations or the law school. Does the scope of work include these other campuses or is it limited primarily to the Storrs and Health Center campuses? If all campuses are included in the scope, could you please provide an estimate of the anticipated breakdown of effort/work/scope required by each location? For example, is it 75% Storrs, 15% Health Center, 10% Regional Campuses combined? Or more like 30% Storrs and 10% for each of the other seven locations.

Answer Analyst services are to be provided for any and all campus. Estimates are 80% Storrs, 10% UCHC, and 10% Regionals and closely approximate the total energy usage. This will fluctuate over the term of the Services.

- 6) In the first bullet/paragraph of Section 9.3, it mentions that trades shall not be allowed below the floor price of \$10.00 but also mentions a "current REC oversupply condition" in the same sentence.
- a. Can you please explain the "current REC oversupply condition?"

Answer The selected Analyst should be fully informed of the current and historical market conditions with a keen understanding of potential future market conditions.

- 7) In the first and second bullets/paragraphs of Section 9.3, (and in Section 1.5.6 of the Draft contract) it mentions that "the Consultant will enter into negotiations and execute a trade directly with the counterparty."
- a. Does this preclude the Consultant from engaging the services of a broker to help market/sell UConn's RECs/Environmental Attributes if deemed necessary by the Consultant? If using a broker is not

prohibited, would the broker's fees be considered an "administrative service fee" that can be deducted from UConn's share of the transaction revenue.

Answer No

- 8) In the third bullet/paragraph of Section 9.3, it mentions specific dates for the "Market opens for trade of Attributes..."
- a. Those dates don't appear to correspond to the NEPOOL GIS trading windows for CT Class 3 RECs. Which market do they represent

Answer Market open dates will vary year to year by the specific commodity to be traded. The Selected Analyst shall be knowledgeable of the dates to insure that all transactions on Behalf of UCONN occur in a timely manner. The Selected Analyst will be accountable for any late or incomplete transactions.

- 9) In Section 1.5.5 of the Draft contract, Agent and Fees, the Consultant is required to provide a percentage pricing structure with a fixed cap and floor pricing.
- a. Is this pricing only applicable to CT Class 3 RECs? Or, will all Attributes/RECs be sold using this same pricing structure? For all potential markets besides the CT Class 3 RECs, it seems that given the uncertainty as to which Attributes/RECs UConn might qualify to sell, what the market transaction structures might look like, volumetric quantities and/or the price range of these potential transactions in the next five years, it would make sense that the defined pricing structure is only applicable to CT Class 3 RECs and that separate pricing structures will be negotiated as each new Attribute and market is better defined.

Answer All Attributes/RECs will use the same pricing structure with the value and volume determined by the Attributes/RECs.

- 10) In Section 1.3.1 of the Draft contract a specific contract maximum cost is to be designated by the Consultant.
- a. Is this for the initial three-year term? Or, is it for all 5 potential years?
 - b. Does this maximum cost include the Consultant's anticipated revenue for Attribute/REC transactions? Or are REC/Attribute transactional revenues treated as an entirely different revenue stream unrelated to the contract maximum.

Answer Specific Contract Maximum Cost is for the initial three year term negotiable at the first and second renewals. The Attribute/REC transactions are a separate component of the contract maximum.

- 11) In Section 1.3.1 of the Draft contract a specific contract maximum cost is to be designated by the Consultant.
- a. Is this for the initial three-year term? Or, is it for all 5 potential years.
 - b. Does this maximum cost include the Consultant's anticipated revenue for Attribute/REC transactions? Or are REC/Attribute transactional revenues treated as an entirely different revenue stream unrelated to the contract maximum.

Answer Specific Contract Maximum Cost is for the initial three year term negotiable at the first and second renewals. The Attribute/REC transactions are a component of the contract maximum.

Name of Bidder

Date

Address

Signature and Title